



2005

ShoeStats 2005 provides a snapshot of U.S. footwear industry market trends for 2004 (the most recent full year data available).

The information in *ShoeStats 2005* is derived from AAFA's annual *Trends: An Annual Compilation of Statistical Information on the U.S. Apparel and Footwear Industries* publication. *Trends* is the most comprehensive and authoritative source for U.S. footwear industry statistics. Comprised of data drawn from a variety of sources, *Trends* contains detailed information on imports, retail sales, consumption, employment, exports, and domestic production. You will also find relevant economic indicators and other demographic information to provide some perspective on the footwear data.

For more information about *Trends* and/or additional resources for market data, please check out AAFA's Web site at <http://www.apparelandfootwear.org> or contact us.



November 2004

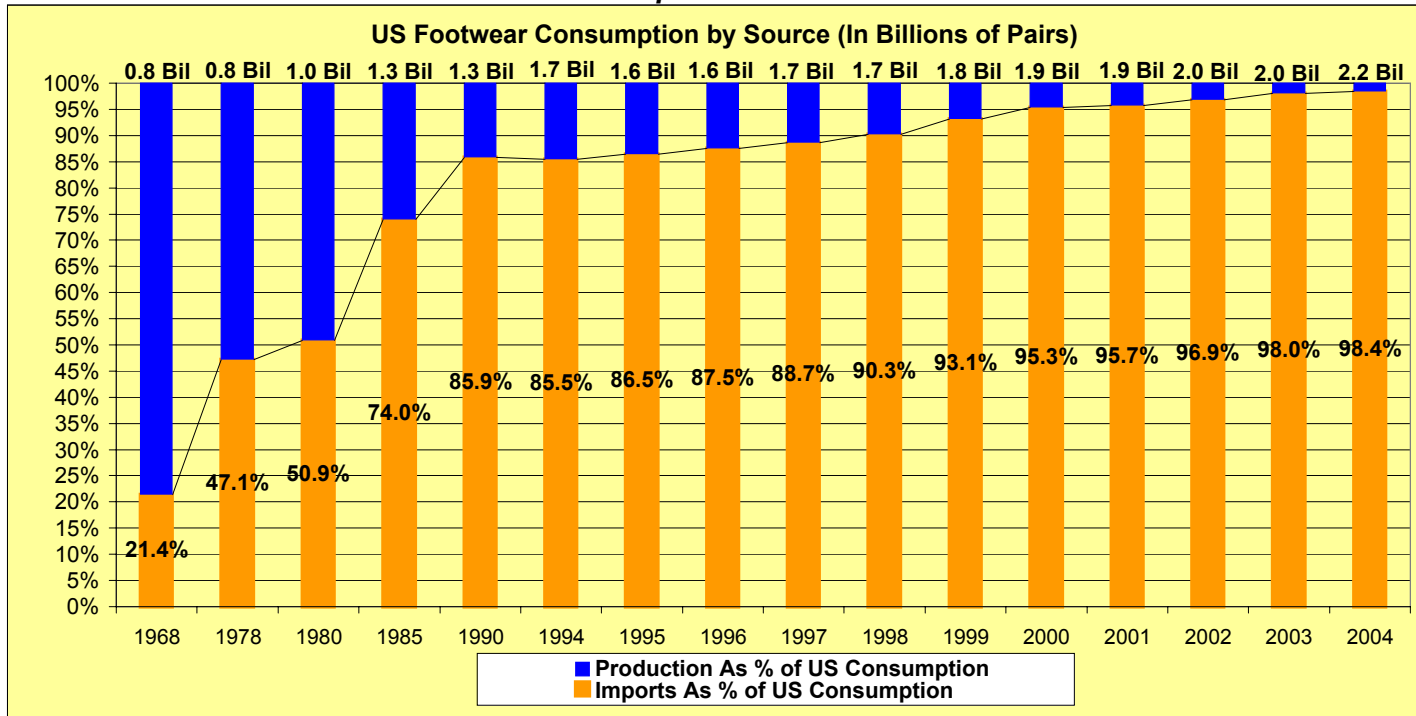
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U.S. Consumption of Footwear



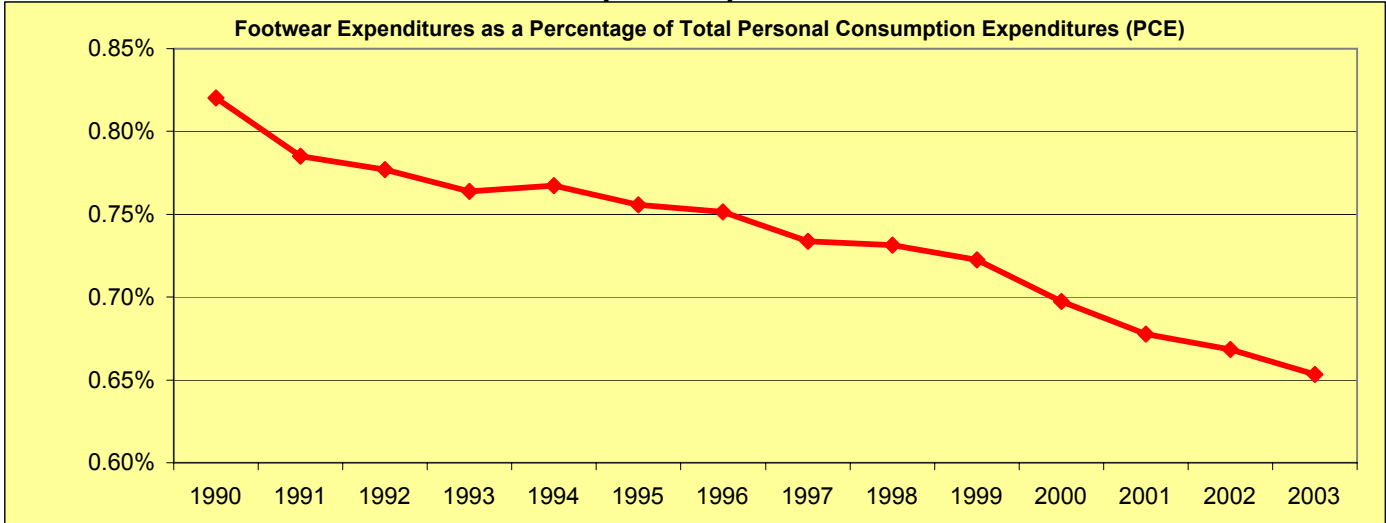
1,000s of Pairs	1968	1978	1980	1985	1990	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Production	642,400	418,900	497,300	336,400	184,568	242,500	220,400	196,000	190,100	163,200	120,877	86,645	79,718	61,400	39,810	35,218
Imports	175,300	373,500	514,900	957,100	1,120,662	1,425,834	1,409,232	1,376,080	1,488,118	1,512,323	1,632,622	1,764,900	1,784,687	1,898,066	1,968,089	2,123,761
US Consumption	817,700	792,400	1,012,200	1,293,500	1,305,230	1,668,334	1,629,632	1,572,080	1,678,218	1,675,523	1,753,499	1,851,545	1,864,405	1,959,466	2,007,899	2,158,979
Import Penetration	21.4%	47.1%	50.9%	74.0%	85.9%	85.5%	86.5%	87.5%	88.7%	90.3%	93.1%	95.3%	95.7%	96.9%	98.0%	98.4%

Quantity in 1,000s of Pairs	U.S. Production				U.S. Imports				U.S. Consumption				% Change 03-04	Import Penetration		
	2001	2002	2003	2004*	2001	2002	2003	2004	China 04	2001	2002	2003		2004	Total 04	China 04
Nonrubber																
Total Nonrubber	55,612	41,166	22,375	19,985	1,442,787	1,563,503	1,660,988	1,818,737	1,517,899	1,498,399	1,604,669	1,683,363	1,838,722	9.2%	98.9%	82.6%
<u>By Product Class</u>																
Men's	19,645	12,245	12,731	12,094	199,539	205,551	213,284	220,484	174,956	219,184	217,796	226,015	232,578	2.9%	94.8%	75.2%
Men's Work	8,730	7,063	8,063	8,869	23,778	24,366	26,544	27,766	26,538	32,508	31,429	34,607	36,635	5.9%	75.8%	72.4%
Women's	7,603	5,650	5,188	4,669	623,775	676,127	730,534	814,354	668,288	631,378	681,777	735,722	819,023	11.3%	99.4%	81.6%
Juveniles'	778	491	277	222	218,566	234,436	251,454	259,821	235,937	219,344	234,927	251,731	260,043	3.3%	99.9%	90.7%
Athletic	157	149	119	120	293,464	347,580	345,227	361,809	288,153	293,621	347,729	345,346	361,929	4.8%	100.0%	79.6%
Slippers	27,225	22,464	3,873	2,711	75,890	68,461	84,510	124,871	116,941	103,115	90,925	88,383	127,582	44.4%	97.9%	91.7%
Other	204	167	187	168	7,757	6,877	9,391	9,606	7,062	7,961	7,044	9,578	9,774	2.0%	98.3%	72.3%
Rubber																
Total Rubber	24,106	20,234	17,435	15,234	341,860	334,562	307,100	305,024	254,565	365,966	354,796	324,535	320,258	-1.3%	95.2%	79.5%
<u>By Category</u>																
Rubber/Fabric	16,301	15,266	11,271	8,453	289,599	267,160	225,668	188,354	153,963	305,900	282,426	236,939	196,807	-16.9%	95.7%	78.2%
Plastic/Protective	7,805	4,968	6,164	6,780	14,350	16,525	18,322	19,227	13,101	22,155	21,493	24,486	26,007	6.2%	73.9%	50.4%
Total Footwear	79,718	61,400	39,810	35,218	1,784,647	1,898,066	1,968,089	2,123,761	1,772,464	1,864,346	1,959,360	2,007,899	2,158,979	7.5%	98.4%	82.1%

2004 U.S. Consumption Highlights, Sources, & Notes

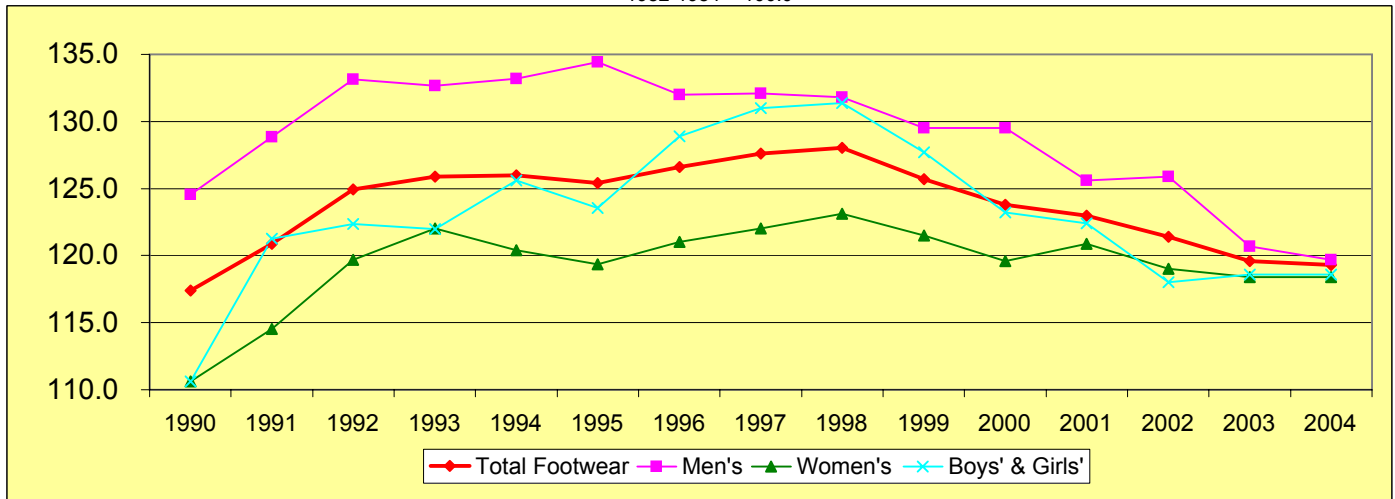
- In 2004, U.S. footwear consumption increased 7.5 percent over 2003, with U.S. consumption surpassing 2.15 billion pairs.
- Based on the U.S. Census Bureau's 2004 population estimate of 293,655,404 people, 7.4 pairs of shoes were purchased by every man, woman, and child in the United States in 2004.
- Note: 2004 U.S. production numbers represent AAFA estimates based on historical trends and anecdotal information.
- Source: U.S. Imports for Consumption, U.S. International Trade Commission's Trade Dataweb (<http://dataweb.usitc.gov>).
- Source: U.S. Production, Current Industrial Report, U.S. Census Bureau (<http://www.census.gov/cir/www/alpha.html>).

U.S. Personal Consumption Expenditures & Retail Prices



	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	% Change 02-03
Total Footwear Expenditures (in Billion \$)	\$31.5	\$31.3	\$32.9	\$34.2	\$36.4	\$37.6	\$39.5	\$40.7	\$43.0	\$45.4	\$47.0	\$47.8	\$49.3	\$50.7	N/A	2.8%
Footwear % of Total PCE	0.82%	0.79%	0.78%	0.76%	0.77%	0.76%	0.75%	0.73%	0.73%	0.72%	0.70%	0.68%	0.67%	0.65%	N/A	-2.3%
Footwear % of Nondurable Goods	2.52%	2.44%	2.47%	2.48%	2.53%	2.53%	2.54%	2.51%	2.55%	2.52%	2.41%	2.37%	2.37%	2.30%	N/A	-2.8%
Footwear % of Clothing & Shoes	15.43%	15.00%	14.83%	14.88%	15.29%	11.00%	15.79%	15.77%	15.87%	15.86%	15.79%	16.06%	16.32%	16.50%	N/A	1.1%

Footwear Retail Prices (Consumer Price Indices (CPI) by Product Class
1982-1984 = 100.0

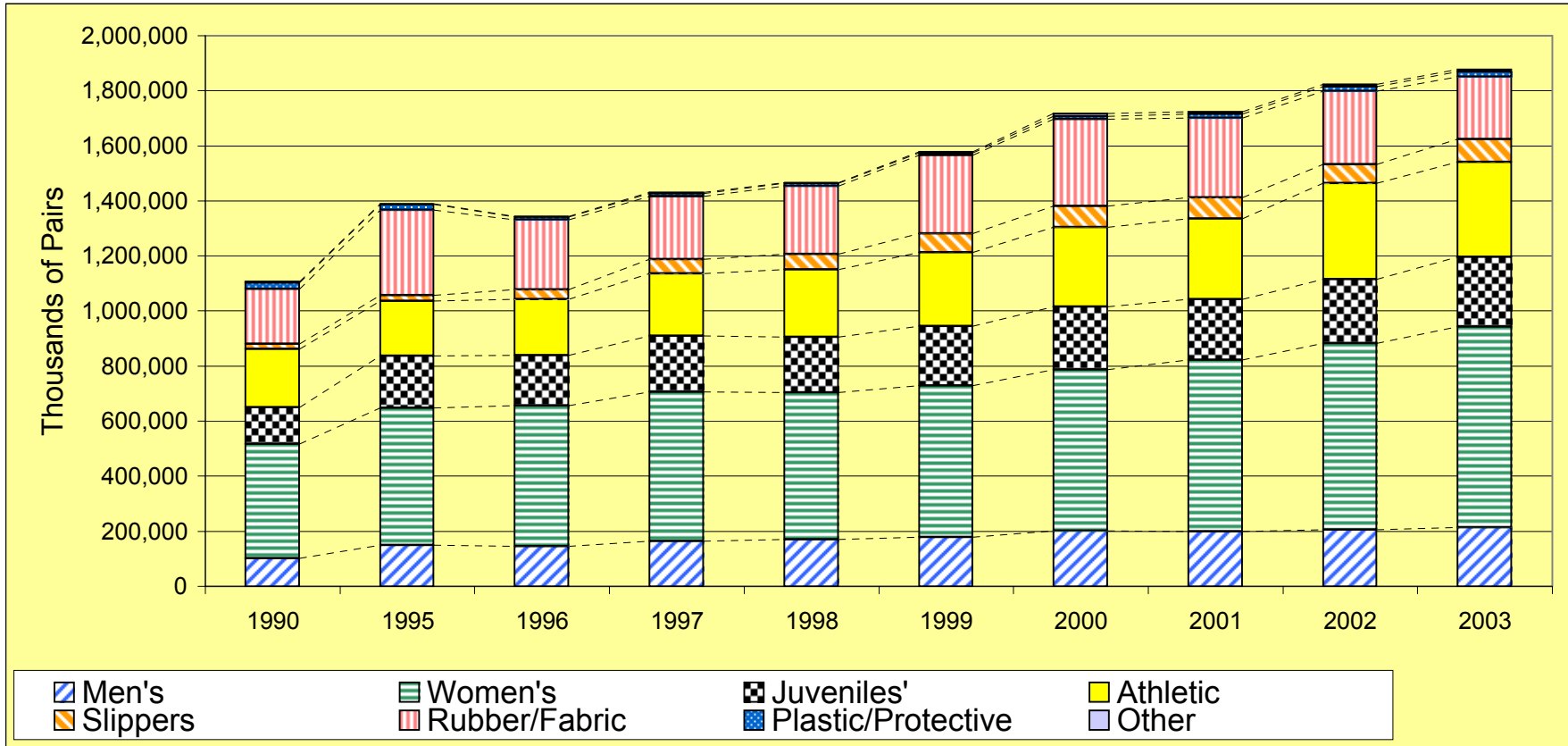


CPI	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	% Change 03-04
Overall Retail Prices (Total CPI)	130.7	136.2	140.3	144.5	148.2	152.4	156.9	160.5	163.0	166.6	172.2	177.1	179.9	184.0	188.9	2.7%
Total Footwear	117.4	120.9	125.0	125.9	126.0	125.4	126.6	127.6	128.0	125.7	123.8	123.0	121.4	119.6	119.3	-0.3%
Men's	124.5	128.9	133.1	132.7	133.2	134.4	132.0	132.1	131.8	129.5	129.5	125.6	125.9	120.7	119.7	-0.8%
Women's	110.6	114.6	119.7	122.0	120.4	119.4	121.0	122.0	123.1	121.5	119.6	120.9	119.0	118.4	118.4	0.0%
Boys' & Girls'	110.6	121.3	122.3	122.0	125.6	123.5	128.9	131.0	131.4	127.7	123.2	122.4	118.0	118.6	118.6	0.0%

2004 U.S. Personal Consumption & U.S. Retail Prices Highlights & Sources

- Although footwear Personal Consumption Expenditures (PCE) rose 2.8% in 2003 to \$50.7 billion, footwear PCE as a % of overall and non-durable goods PCE continued to decline.
- Footwear retail prices fell 6.8% between 1998 and 2004, while overall retail prices rose 15.9% during the same period.
- Note: Personal Consumption Expenditure (PCE) figures for 2004 for individual products like footwear will not be released until August 2005.
- Source: Personal Consumption Expenditure: U.S. Department of Commerce, Bureau of Economic Analysis (<http://www.bea.gov>).
- Source: Consumer Price Index: U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov>).

U.S. Imports of Footwear by Category



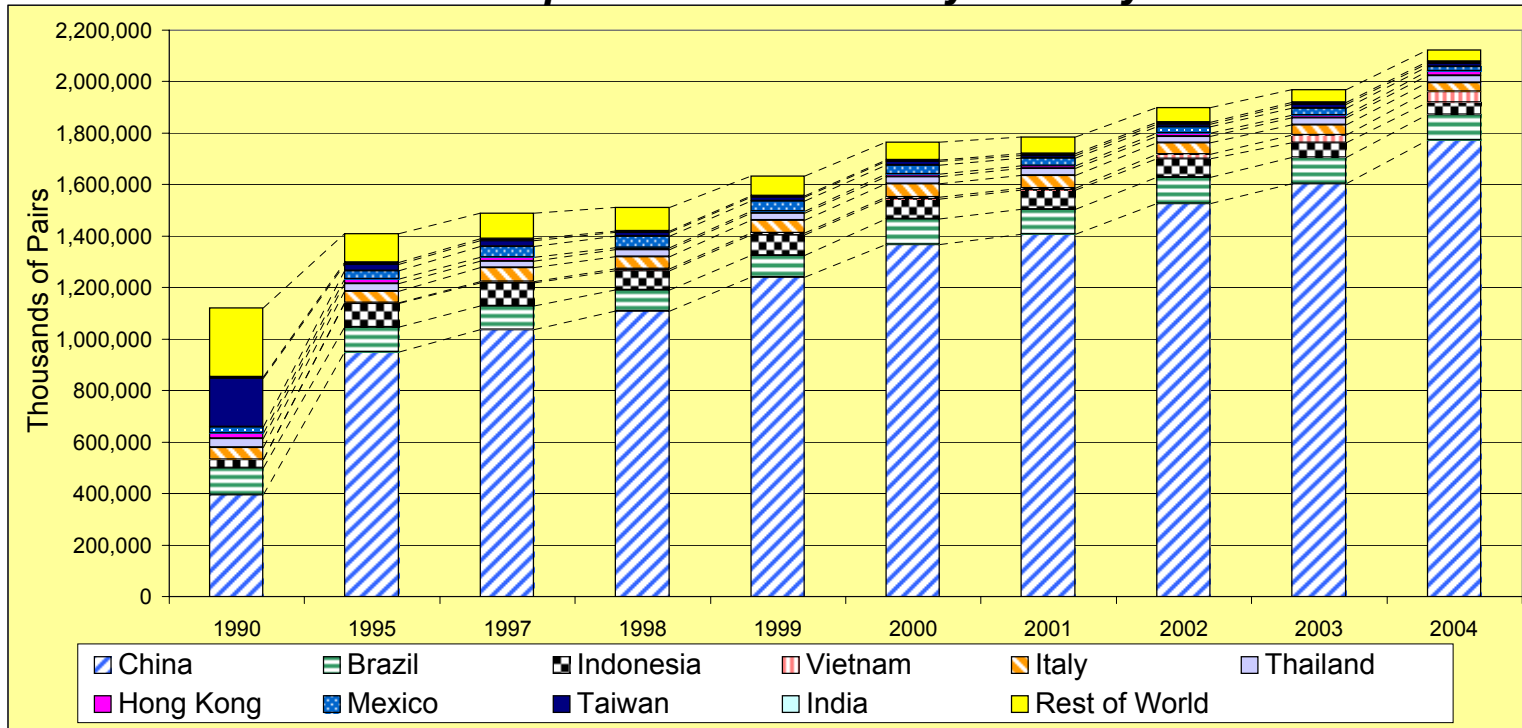
U.S. Total Footwear Imports by Category

Thousands of Pairs	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	% Change 03-04	% Share of Total '04
Total Imports	1,120,662	1,409,232	1,376,080	1,488,118	1,512,323	1,632,622	1,764,900	1,784,687	1,898,066	1,968,089	2,123,761	7.9%	100.0%
Men's	102,137	150,543	146,010	163,115	170,826	178,621	200,464	199,539	205,551	213,284	220,484	3.4%	10.4%
Men's Work	13,217	19,610	18,138	20,218	20,030	21,037	24,094	23,778	24,366	26,544	27,766	4.6%	1.3%
Women's	415,238	496,736	509,267	542,385	533,124	551,234	587,171	623,775	676,127	730,534	814,354	11.5%	38.3%
Juveniles'	132,759	189,520	183,631	204,043	201,503	214,310	228,336	218,566	234,436	251,454	259,821	3.3%	12.2%
Athletic	212,306	198,983	204,519	227,090	244,994	269,723	288,064	293,464	347,580	345,227	361,809	4.8%	17.0%
Slippers	17,931	21,128	34,239	51,725	56,107	66,979	76,251	75,890	68,461	84,510	124,871	47.8%	5.9%
Other	3,944	2,930	3,056	4,590	3,248	3,358	9,869	7,757	6,877	9,391	9,606	2.3%	0.5%
Rubber/Fabric	199,242	309,284	254,117	228,589	246,841	284,799	317,261	289,599	267,160	225,668	188,354	-16.5%	8.9%
Plastic/Protective	23,887	20,497	9,571	10,255	9,787	9,615	10,398	14,350	16,525	18,322	19,227	4.9%	0.9%

2004 U.S. Import Highlights & Sources

- U.S. slipper imports continued to rise sharply in 2004 as most remaining U.S. slipper production moved offshore.
- U.S. rubber/fabric footwear imports fell 16.5% in 2004 as the overall U.S. market for rubber/fabric footwear continued to shrink.
- Source: U.S. Imports for Consumption: U.S. International Trade Commission's Trade Dataweb (<http://dataweb.usitc.gov>).

U.S. Imports of Footwear by Country



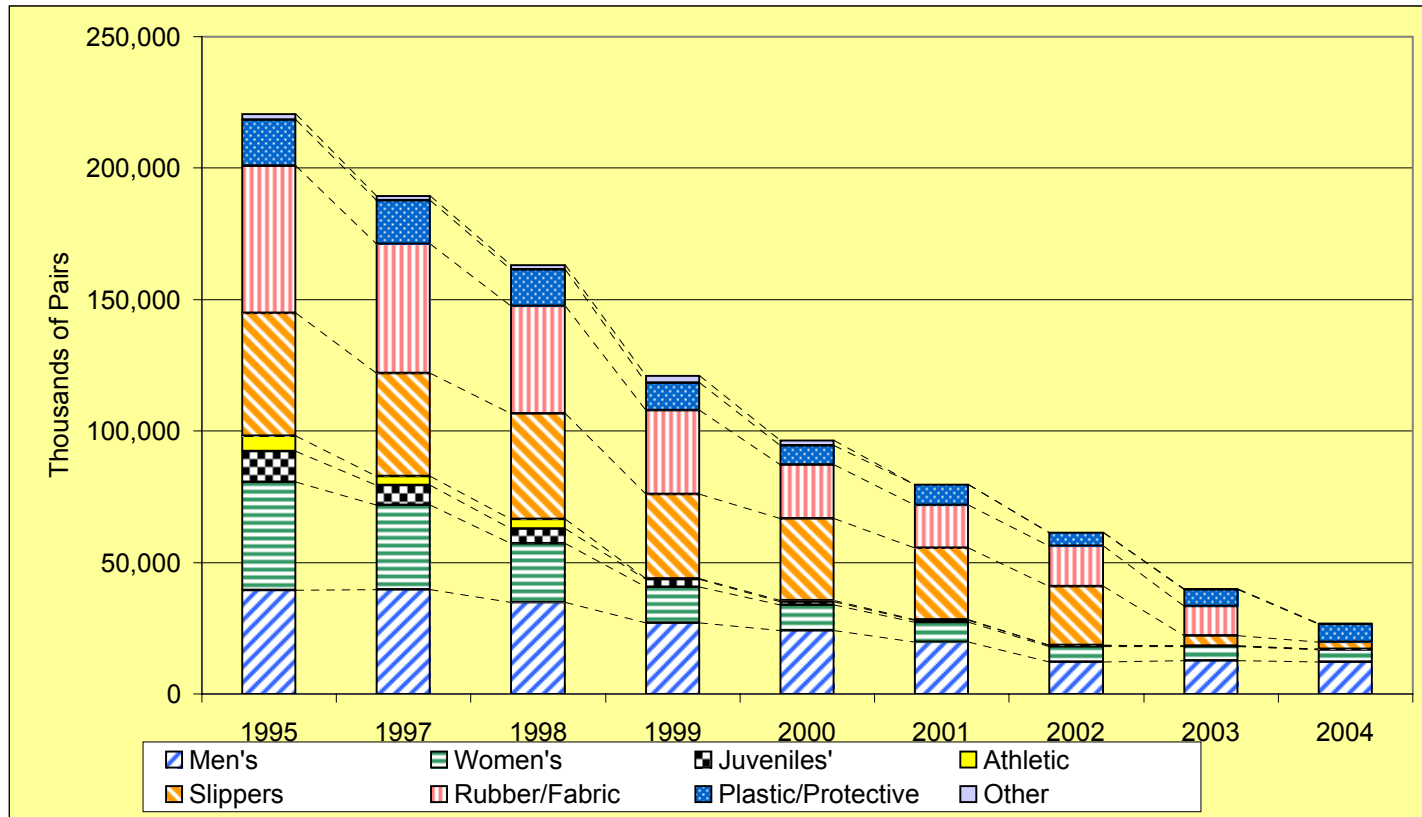
1000s of Pairs	1990	1995	1997	1998	1999	2000	2001	2002	2003	2004	% Change 03-04	% Share of Total '04
China	395,719	949,419	1,037,103	1,107,566	1,239,700	1,368,344	1,405,785	1,525,520	1,602,365	1,772,464	10.6%	83.5%
Brazil	103,428	97,042	90,626	83,294	85,563	98,540	97,462	101,627	103,275	98,834	-4.3%	4.7%
Indonesia	33,911	93,177	89,838	74,279	79,454	76,145	75,161	73,103	56,947	46,728	-17.9%	2.2%
Vietnam	0	325	6,267	7,175	8,294	7,319	8,285	17,537	30,460	43,707	43.5%	2.1%
Italy	46,109	45,680	53,162	48,683	48,074	52,287	48,555	43,550	40,256	35,264	-12.4%	1.7%
Thailand	34,636	30,910	26,309	26,485	27,167	27,571	26,578	27,077	25,329	25,305	-0.1%	1.2%
Hong Kong	19,195	15,469	13,164	8,326	8,794	10,577	10,616	10,301	9,802	19,058	94.4%	0.9%
Mexico	26,178	33,015	44,249	42,782	38,282	34,748	30,394	26,247	28,387	15,722	-44.6%	0.7%
Taiwan	188,841	25,924	21,683	15,855	15,156	13,740	11,102	10,185	14,058	13,139	-6.5%	0.6%
India	3,992	6,958	7,604	5,958	6,598	7,096	6,757	6,566	7,372	8,037	9.0%	0.4%
Rest of World	268,653	111,313	98,113	91,920	75,540	68,533	63,992	56,353	49,838	45,503	-8.7%	2.1%
Total Imports	1,120,662	1,409,232	1,488,118	1,512,323	1,632,622	1,764,900	1,784,687	1,898,066	1,968,089	2,123,761	7.9%	100.0%

\$ Value (in 1000s of U.S. Dollars)	1990	1995	1997	1998	1999	2000	2001	2002	2003	2004	% Change 03-04	% Share of Total '04
China	\$1,448,095	\$5,723,827	\$7,235,968	\$7,909,327	\$8,339,971	\$9,098,588	\$9,647,478	\$10,114,068	\$10,396,087	\$11,185,922	7.6%	69.1%
Brazil	\$1,006,421	\$1,115,410	\$1,138,983	\$1,019,866	\$956,516	\$1,146,928	\$1,159,756	\$1,078,393	\$1,038,486	\$1,079,644	4.0%	6.7%
Indonesia	\$239,492	\$955,932	\$1,079,953	\$746,283	\$751,041	\$730,982	\$724,356	\$730,399	\$569,203	\$492,528	-13.5%	3.0%
Vietnam	\$0	\$3,299	\$97,503	\$114,902	\$145,672	\$124,491	\$132,000	\$223,921	\$324,407	\$472,812	45.7%	2.9%
Italy	\$964,119	\$1,003,479	\$1,183,625	\$1,157,759	\$1,175,611	\$1,250,743	\$1,251,237	\$1,175,142	\$1,233,530	\$1,241,615	0.7%	7.7%
Thailand	\$270,341	\$389,202	\$378,752	\$341,738	\$325,304	\$328,908	\$314,153	\$277,076	\$284,442	\$286,574	0.7%	1.8%
Hong Kong	\$107,419	\$107,721	\$97,961	\$59,873	\$57,018	\$66,494	\$80,741	\$67,157	\$60,082	\$85,754	42.7%	0.5%
Mexico	\$113,911	\$170,051	\$287,111	\$261,840	\$271,336	\$283,477	\$250,335	\$223,788	\$235,356	\$201,811	-14.3%	1.2%
Taiwan	\$1,471,822	\$329,338	\$170,718	\$133,891	\$102,113	\$86,356	\$70,685	\$67,085	\$70,072	\$75,207	7.3%	0.5%
India	\$41,250	\$84,658	\$96,726	\$83,540	\$93,251	\$108,820	\$98,278	\$92,330	\$107,879	\$124,437	15.3%	0.8%
Rest of World	\$3,457,527	\$1,709,666	\$1,615,472	\$1,518,180	\$1,414,185	\$1,283,117	\$1,174,802	\$1,029,837	\$933,425	\$939,032	0.6%	5.8%
Total Imports	\$9,120,397	\$11,592,583	\$13,382,772	\$13,347,199	\$13,632,018	\$14,508,904	\$14,903,821	\$15,079,196	\$15,252,969	\$16,185,336	6.1%	100.0%

2004 U.S. Import Highlights & Sources

- China controlled 83.5% of all U.S. imports, while rapidly growing Vietnam surpassed Italy to become the fourth largest supplier to the U.S. market in 2004.
- Source: U.S. Imports for Consumption: U.S. International Trade Commission's Trade Dataweb (<http://dataweb.usitc.gov>).

U.S. Footwear Production



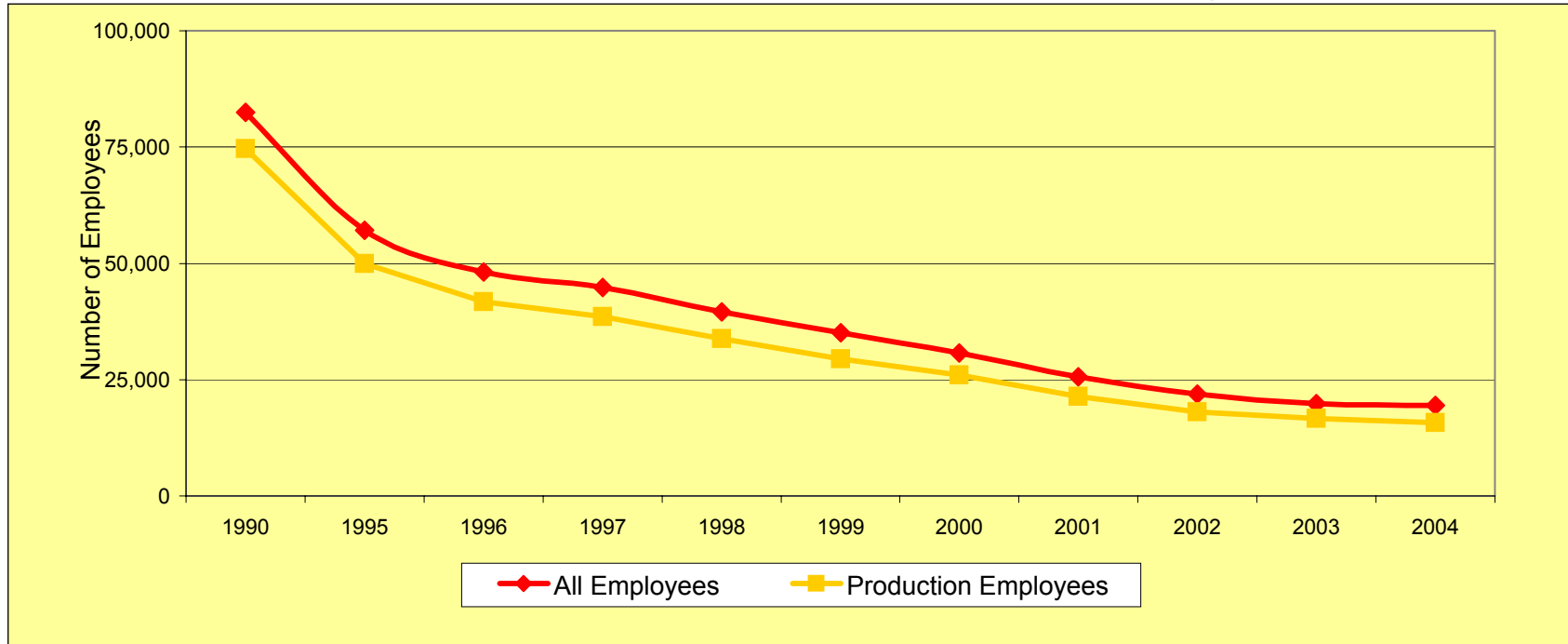
U.S. Production by Category

Thousands of Pairs	1995	1997	1998	1999	2000	2001	2002	2003	2004	% Change 95-04	% Change 03-04
Total Production	220,400	190,100	163,200	120,877	86,645	79,718	61,400	39,810	35,218	-84.0%	-11.5%
Men's	39,353	39,765	34,845	26,982	23,983	19,645	12,245	12,731	12,094	-69.3%	-5.0%
Men's Work	12,390	13,298	12,201	9,392	9,158	8,730	7,063	8,063	8,869	-28.4%	10.0%
Women's	41,175	31,976	22,476	13,632	9,796	7,603	5,650	5,188	4,669	-88.7%	-10.0%
Juveniles'	11,639	7,591	5,409	2,842	1,389	778	491	277	222	-98.1%	-20.0%
Athletic	5,880	3,501	3,737	313	310	157	149	119	120	-98.0%	0.8%
Slippers	46,732	39,187	40,189	32,235	31,181	27,225	22,464	3,873	2,711	-94.2%	-30.0%
Other	2,200	1,719	1,803	2,577	2,007	204	167	187	168	-92.4%	-10.0%
Rubber/Fabric	56,100	49,200	40,800	31,825	20,587	16,301	15,266	11,271	8,453	-84.9%	-25.0%
Plastic/Protective	17,400	16,500	13,900	10,471	7,188	7,805	4,968	6,164	6,780	-61.0%	10.0%
Factory Closings	12	10	7	11	15	11	3	6	3		

2004 U.S. Production Highlights, Notes & Sources

- U.S. footwear production fell 11.5% in 2004 to 35.2 million pairs led by a 25% decline in U.S. rubber/fabric footwear production.
- U.S. footwear production of men's workboots (10.0%) and plastic/protective footwear (10.0%) increased significantly in 2004. Some of the increase could be contributed to the increased demand for military boots due to the war in Iraq, which began in March 2003. U.S. law requires the military to procure only U.S.-made footwear.
- Note: 2004 U.S. production numbers represent AAFA estimates based on historical trends and anecdotal information.
- Source: Current Industrial Report, U.S. Census Bureau (<http://www.census.gov/cir/www/alpha.html>).

Snapshot of U.S. Footwear Manufacturing



Employment, Hours & Earnings in the U.S. Footwear Manufacturing Industry

	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	% Change 03-04
All Employees	82,500	57,100	48,200	44,800	39,600	35,100	30,700	25,600	21,900	19,800	19,400	-2.0%
Production Employees	74,600	49,900	41,700	38,600	33,800	29,500	26,000	21,400	18,100	16,600	15,700	-5.4%
Average Hourly Earnings	\$6.83	\$7.98	\$8.46	\$8.85	\$9.25	\$9.43	\$9.77	\$10.01	\$10.25	\$10.80	\$11.39	5.5%
Average Weekly Hours	36.5	36.6	36.6	37.2	36.4	36.9	38.2	37.0	37.7	38.8	37.7	-2.8%

Employment and Factory Closings

	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	% Change 03-04
Total Employees	82,500	57,100	48,200	44,800	39,600	35,100	30,700	25,600	21,900	19,800	19,400	-2.0%
Net U.S. Factory Openings/Closings	-	(12)	(12)	(10)	(7)	(11)	(15)	(11)	(3)	(6)	(3)	N/A
Cumulative Openings/ Closings since 1967	-	(734)	(747)	(757)	(764)	(775)	(790)	(801)	(804)	(810)	(813)	N/A

2004 U.S. Manufacturing Highlights & Sources

- The continued decline in U.S. slipper production reduced overall U.S. footwear manufacturing employment in 2004.
- Source: Employment, Hours & Earnings, U.S. Department of Labor, Bureau of Labor Statistics (<http://www.bls.gov>).
- Source: Factory Closings, AAFA Estimate.